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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-965; C-570-966]

Drill Pipe from the People's Republic of China: Termination of Anti-circumvention Inquiry

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: On August 12, 2011, in response to a request from VAM Drilling U.S.A., Texas Steel Conversion Inc. and Rotary Drilling Tools (collectively the “Petitioners”), the Department of Commerce (the “Department”) initiated an anti-circumvention inquiry¹ to determine whether certain imports of drill pipe from the People's Republic of China (“PRC”) are circumventing the *Drill Pipe Orders*.² Because the Petitioners have withdrawn this request, the Department is terminating this anti-circumvention inquiry.

EFFECTIVE DATE: [Insert date of publication in the *Federal Register*.]

FOR FURTHER INFORMATION CONTACT: Paul Walker, AD/CVD Operations, Office 9, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone 202.482.0413.

SUPPLEMENTARY INFORMATION:

Background

On June 14, 2011, pursuant to section 781(b) of the Tariff Act of 1930, as amended (the “Act”), and section 351.225(h) of the Department's regulations, the Petitioners submitted a request for the Department to initiate an anti-circumvention inquiry of the Hilong Group

¹ See *Drill Pipe from the People's Republic of China: Initiation of Anti-circumvention Inquiry*, 76 FR 50173 (August 12, 2011).

² See *Drill Pipe from the People's Republic of China: Antidumping Duty Order*, 76 FR 11757 (March 3, 2011); *Drill Pipe from the People's Republic of China: Countervailing Duty Order*, 76 FR 11758 (March 3, 2011) (collectively the “*Drill Pipe Orders*”).

of Companies Co., Ltd. (“Hilong”)³ to determine whether pipe⁴ and tool joints produced in the PRC, and friction welded together in the UAE, which are allegedly products of the PRC exported from the UAE, are circumventing the *Drill Pipe Orders*.⁵ On August 12, 2011, the Department initiated an anti-circumvention inquiry to determine whether certain imports of drill pipe from the PRC are circumventing the *Drill Pipe Orders*. Between August 18, 2011, and October 28, 2011, the Department issued questionnaires to Hilong, to which Hilong responded.

Scope of the Orders

The products covered by the orders are steel drill pipe, and steel drill collars, whether or not conforming to American Petroleum Institute (“API”) or non-API specifications. Included are finished drill pipe and drill collars without regard to the specific chemistry of the steel (*i.e.*, carbon, stainless steel, or other alloy steel), and without regard to length or outer diameter. Also included are unfinished drill collars (including all drill collar green tubes) and unfinished drill pipe (including drill pipe green tubes, which are tubes meeting the following description: seamless tubes with an outer diameter of less than or equal to 6 5/8 inches (168.28 millimeters), containing between 0.16 and 0.75 percent molybdenum, and containing between 0.75 and 1.45 percent chromium). The scope does not include tool joints not attached to the drill pipe, nor does it include unfinished tubes for casing or tubing covered by any other antidumping or countervailing duty order.

The subject products are currently classified in the following Harmonized Tariff Schedule of the United States (“HTSUS”) categories: 7304.22.0030, 7304.22.0045,

³ This includes Hilong’s U.S. affiliate, Hilong USA LLC (“Hilong USA”) and its joint venture affiliate Almansoori/Hilong Petroleum Pipe Company (“Almansoori/Hilong”) located in the United Arab Emirates (the “UAE”).

⁴ “Pipe” is heat treated and upset green tube, minus the tool joint. *See* the Petitioners’ request at 3.

⁵ Specifically, the Petitioners asserted that Hilong’s PRC drill pipe facility exports PRC-produced pipe and tool joints to Almansoori/Hilong in the UAE, which friction welds the pipe to the tools joints, and then exports them to Hilong USA, which enters and sells the drill pipe as UAE-origin merchandise, which is of the same class or kind as the merchandise covered by the *Drill Pipe Orders*.

7304.22.0060, 7304.23.3000, 7304.23.6030, 7304.23.6045, 7304.23.6060, 8431.43.8040 and may also enter under 8431.43.8060, 8431.43.4000, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.49.0015, 7304.49.0060, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050 and 7304.59.8055.

While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the orders is dispositive.

Termination of the Anti-circumvention Inquiry

On January 19, 2012, Petitioners withdrew their request for an anti-circumvention proceeding.⁶ Accordingly, we are terminating this anti-circumvention inquiry.

This notice is published in accordance with section 777(i)(1) of the Act.

Paul Piquado
Assistant Secretary
for Import Administration

____February 13, 2012____
Date

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⁶ See Petitioners' letter dated January 18, 2012.